



This Is My Top Stock to Buy for the Rise of the Metaverse

Description

The metaverse trend is heating up with several large tech companies across the globe making big plans to launch several related products and services — so much so that the American social media giant Facebook recently officially changed its name to **Meta Platforms**.

Metaverse stocks

As the upcoming metaverse revolution continues to gain momentum, it could be a great idea for investors to benefit from this new trend. Doing so could help investors gain outstanding returns on their investments in the coming years, I believe. In this article, I'll highlight one metaverse stock in Canada that I find worth buying right now with big future growth potential.

Spin Master

Spin Master ([TSX:TOY](#)) is a Toronto-based entertainment company with a [market cap](#) of about \$1.4 billion at the time of writing. Apart from entertainment franchises, its diversified product range includes digital games and innovative toys. The company produces a large part of its content in-house and also has partnerships with other outside content creators.

Spin Master is not exactly a solely metaverse-focused company, and it's not even as big as Meta Platforms. But it certainly is well positioned to benefit from the rising metaverse popularity in the coming years due to its consistently expanding gaming and entertainment industry presence. Besides, the company's management has seemingly increased its focus on metaverse and virtual environment trends lately. Spin Master recently [announced](#) that "its Bakugan franchise will be the first-ever to premiere a full-length series episode on Roblox ... extending the adventure into the metaverse."

How its financials look

Unlike many small tech startups, Spin Master is already a profitable company with an impressive

financial growth track record. Notably, the company has been beating Street analysts' revenue estimates for the last seven quarters in a row and earnings estimates for the last six consecutive quarters.

In the latest quarter ended in September 2021, Spin Master's total revenue rose by about 25% YoY (year over year) to a record US\$714.5 million, beating expectations by more than 17%. Interestingly, its quarterly gross product sales were also at their highest level in Q3. This helped the company post a solid 38.5% YoY increase in its adjusted earnings to US\$1.26 per share. Its latest quarterly earnings figures crushed analysts' expectations by more than 42%.

In the last year, Spin Master has tried to minimize its costs and refine its operational capability, giving a significant boost to its profitability. In Q3 2021, its adjusted net profit margin stood at a record 18.6% — much stronger than just 10.6% in the previous quarter.

Buy this metaverse stock now

Spin Master stock currently trades at \$43.91 per share with 51% year-to-date gains. Many of us might have missed benefitting from [big revolutionary tech trends](#) in the past, either because we didn't realize their true potential at the time or we didn't want to take much risk. But we still have the opportunity to be a part of the upcoming metaverse revolution and participate in it by investing in some fundamentally strong stocks like Spin Master, which can hugely benefit from the metaverse popularity.

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